



December 18, 2000

The Honorable Steve Peace, Chair
Joint Legislative Budget Committee
State Capitol, Room 3060
Sacramento, CA 95814

Dear Senator Peace:

Enclosed is the Department of General Services' Accounts Receivable Management Act Report required by Government Code 16582 for the fiscal year 99/00.

If you have questions regarding this report, please have your staff contact Lisa Johnson, Office of Fiscal Services, at (916) 323-8034.

Very truly yours,

BARRY D. KEENE, Director
Department of General Services

Enclosure

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JLBC & BUDGET COMMITTEES
REVISED 08/04/00

STATE OF CALIFORNIA
ACCOUNTS RECEIVABLE MANAGEMENT ACT REPORT

99/00 FISCAL YEAR
DF-582a (REV 12/97)

Mail To: Franchise Tax Board
Client Services
P.O. Box 460 Mail Stop G 04
Rancho Cordova, CA 95741-0460

The following reporting format for the Accounts Receivable Management Act is divided into three sections: Part I, Part II, and Part III. You must complete all of the sections in Part I and Part II and as many sections in Part III as possible. If applicable, you may check more than one item per question.

PART I

DEPARTMENT/AGENCY:

Department of General Services

CONTACT NAME:

Lisa Johnson

ADDRESS:

1325 J Street, Suite 1604

TITLE:

Accounting Officer

CITY/STATE/ZIP

Sacramento CA 95814

PHONE NUMBER:

916-323-8034

FAX NUMBER

916-323-4622

PART II

1. DESCRIPTION OF YOUR PRESENT ACCOUNTS RECEIVABLE SYSTEM:

a. Are your accounts receivable maintained in an automated or a manual format?

☒ Automated, electronic-based format ☐ Mainframe ☒ PC-based (stand alone) ☐ Manual, paper-based format

b. Are your accounts receivable maintained at one or more locations?

☐ Centralized ☒ various locations If so, number of locations TWO (2)

c. How are your accounts receivable collected?

☒ Internal accounting/collections staff ☐ Contract accounting/collections agency

d. How are your accounts receivable identified?

☐ Social Security Number (SSN) ☐ Federal Employer Identification Number (FEIN)

☐ California Corporate Number ☒ Name and Address ☒ Other DGS Customer Account Number

2. DESCRIPTION OF ACCOUNTS RECEIVABLE, EXCLUDING THOSE ACCOUNTS DUE FROM LOCAL, STATE AND FEDERAL GOVERNMENT AGENCIES:

Number of accounts receivable (debts due your agency) at the beginning of fiscal year 99/00: 1,209

Dollar value of those accounts: \$ 853,195.00

PART III

If you cannot provide all of the information requested below, please answer as many of the following questions as possible. For example, for question number 2, provide information for as many of the categories listed as possible.

1. DESCRIPTION OF ACCOUNTS RECEIVABLE, EXCLUDING THOSE ACCOUNTS DUE FROM LOCAL, STATE, AND FEDERAL GOVERNMENT AGENCIES:

a. Number of accounts receivable you added during fiscal year 99/00: 6,478

Dollar value of those accounts: \$ 4,900,200.46

b. Of the number of accounts receivable due your agency at the beginning of fiscal year 99/00,
the number of accounts collected: 791 ; dollar values of those accounts \$ 203,767.22

c. Of the number of accounts receivable due your agency at the beginning of fiscal year 99/00,
the number of accounts you wrote off: 264 ; dollar values of those accounts \$ 53,092.48

2. **INVENTORY OF ACCOUNTS RECEIVABLE** as of June 30, 2000.

(You may round to the nearest \$1,000, but show in whole dollars, not thousands.):

<u>DOLLAR AMOUNT</u>	<u># OF ACCTS. RECEIVABLE</u>	<u>DOLLAR VALUE</u>
\$0-\$500	<u>729</u>	<u>61,354</u>
\$501-\$1,000	<u>93</u>	<u>75,111</u>
\$1,001-\$2,500	<u>43</u>	<u>65,848</u>
\$2,501-\$5,000	<u>14</u>	<u>46,796</u>
\$5,001-\$10,000	<u>17</u>	<u>119,797</u>
OVER \$10,000	<u>21</u>	<u>626,967</u>

OTHER COMMENTS

N/A

3. **AGE OF ACCOUNTS RECEIVABLE INVENTORY** as of June 30, 2000.

(You may round to the nearest \$1,000, but show in whole dollars, not thousands.):

<u>AGE</u>	<u># OF ACCTS. RECEIVABLE</u>	<u>DOLLAR VALUE</u>
0-30 DAYS	<u>91</u>	<u>356,318</u>
31-60 DAYS	<u>78</u>	<u>23,375</u>
61-120 DAYS	<u>86</u>	<u>14,626</u>
121 DAYS-1 YEAR	<u>369</u>	<u>254,909</u>
OVER 1 YEAR	<u>293</u>	<u>346,645</u>

5. **ACCOUNTS RECEIVABLE ASSIGNED TO PRIVATE DEBT COLLECTION AGENCIES, FISCAL YEAR 99/00**

WHAT NUMBER OF ACCOUNTS WERE ASSIGNED TO PRIVATE DEBT COLLECTION AGENCIES? 0

DOLLAR VALUE \$ 0

6. **COLLECTION GOAL (DEFINED AS A PERCENTAGE OF THE DOLLARS AVAILABLE FOR COLLECTION THAT YOUR DEPARTMENT EXPECTS TO COLLECT IN 2000/2001 FISCAL YEAR):**

The Department of General Service's collection goal for the 2000/2001 fiscal year is to clear 97% of all accounts receivable within 60 days of issuance; clear 99% of the accounts receivable within 90 days of the issuance.

7. **RECOMMENDATIONS FOR IMPROVING ACCOUNTS RECEIVABLE COLLECTIONS (E.G., ADMINISTRATIVE ASSISTANCE, AND NEW AUTHORITY NEEDED) (Attach additional sheet(s) as necessary.):**

Department of General Services strategy to improve collections on private debits is:

- To continue to utilize the Franchise Tax Board to recovery account receivables.
- To combine collection efforts with the DGS offices to take a stronger actions on their outstanding receivables.
- To continue to accept and publicize credit card acceptance for outstanding invoices.
- To evaluate the viability of private collection of debtors.
- To implement and enforce a standard for check acceptance to reduce dishonored checks.

Two Year Comparison Total For the ARMS Report												
			1998-1999						1999-2000			
	OFS		OSP		TOTAL		OFS		OSP		TOTAL	
	# of Inv.	\$ Value	# of Inv.	\$ Value	# of Inv.	\$ Value	# of Inv.	\$ Value	# of Inv.	\$ Value	# of Inv.	\$ Value
1. # of A/R's at the beginning of FY	442	839,347.95	2,820	291,747.05	3262	1,131,095.00	708	829,541.40	501	23,653.60	1,209	853,195.00
A. # of A/R's added during the FY	2,674	1,868,517.14	3,181	995,016.86	5855	2,863,534.00	3,647	2,861,310.47	2831	2,038,889.99	6,478	4,900,200.46
B. # at the beginning that was collected	257	124,811.27	569	181,732.73	826	306,544.00	368	193,697.34	423	10,069.88	791	203,767.22
C. # at the beginning that was written-off	15	6,610.21	2,093	105,626.79	2108	112,237.00	264	53,092.48	0	-	264	53,092.48
3. Inventory of A/R's by dollar amt. As of June 30:												
			Dollar Amount									
\$0-\$500	464	44,090.21	495	16,245.79	959	60,336.00	366	39,764.28	363	21,589.72	729	61,354.00
\$501-\$1,000	84	69,560.12	4	2,894.88	88	72,455.00	81	67,368.87	12	7,741.64	93	75,110.51
\$1,000-\$2,500	86	134,084.00			86	134,084.00	33	47,802.03	10	18,045.83	43	65,847.86
\$2,501-\$5,000	21	75,488.07	2	4,512.93	23	80,001.00	5	15,815.00	9	30,981.26	14	46,796.26
\$5,000-\$10,000	31	219,035.00			31	219,035.00	6	38,587.52	11	81,209.30	17	119,796.82
over \$10,000	22	287,284.00			22	287,284.00	7	207,107.70	14	419,859.75	21	626,967.45
Total	708	829,541.40	501	23,653.60	1209	853,195.00	498	416,445.40	419	579,427.50	917	995,872.90
6. Inventory of A/R by age. As of June 30:												
			Age									
0-30 days	33	8,965.07	32	4,986.93	65	13,952.00	27	10,898.80	64	345,418.70	91	356,317.50
31-60 days	37	11,719.66	35	1,739.34	72	13,459.00	42	14,726.97	36	8,648.13	78	23,375.10
61-120 days	74	21,638.61	63	1,363.39	137	23,002.00	56	12,464.23	30	2,161.78	86	14,626.01
121 days- 1 year	211	75,067.59	213	11,176.41	424	86,244.00	158	45,294.24	211	209,615.17	369	254,909.41
over 1 year	353	712,151.47	158	4,387.53	511	716,539.00	215	333,061.16	78	13,583.72	293	346,644.88
Total	708	829,542.40	501	23,653.60	1209	853,196.00	498	416,445.40	419	579,427.50	917	995,872.90